

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 590 – SB 869

March 17, 2014

SUMMARY OF ORIGINAL BILL: Requires, prior to a municipal annexation, the approval by a majority of potentially-annexed residents in a referendum held in conjunction with the next regularly-scheduled election by the county. Requires the annexing municipality to provide notice by registered mail to all potentially-annexed residents 90 days prior to the referendum.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures – Exceeds \$1,000*

Other Fiscal Impact – Due to several unknown factors, any change in local government property tax revenue cannot be quantified.

SUMMARY OF AMENDMENT (013382): Deletes all language after the enacting clause. Requires, prior to a municipal annexation by ordinance, the approval by the majority of potentially-annexed residents in a referendum held in conjunction with the next regularly-scheduled election by the county. Authorizes Davidson, Moore, and Trousdale counties to expand the area of urban services districts using any method authorized by their charter.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Due to several unknown factors, any change in local government property tax revenue cannot be quantified.

Assumptions for the bill as amended:

- According to the Department of State, the Division of Elections, there will be no fiscal impact to the Department as a result of this bill.
- The referendum is to be held in conjunction with the next regularly-scheduled election; therefore, any additional cost associated with the referendum to local government will be not significant.

- Due to several unknown variables, such as the number of municipalities that will desire to annex territory, the extent of property desired to be annexed, the value of any such properties, the extent of subsequent development that would occur on any annexed property, and whether majority vote was to accept annexation, the fiscal impact to local government revenue cannot be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh